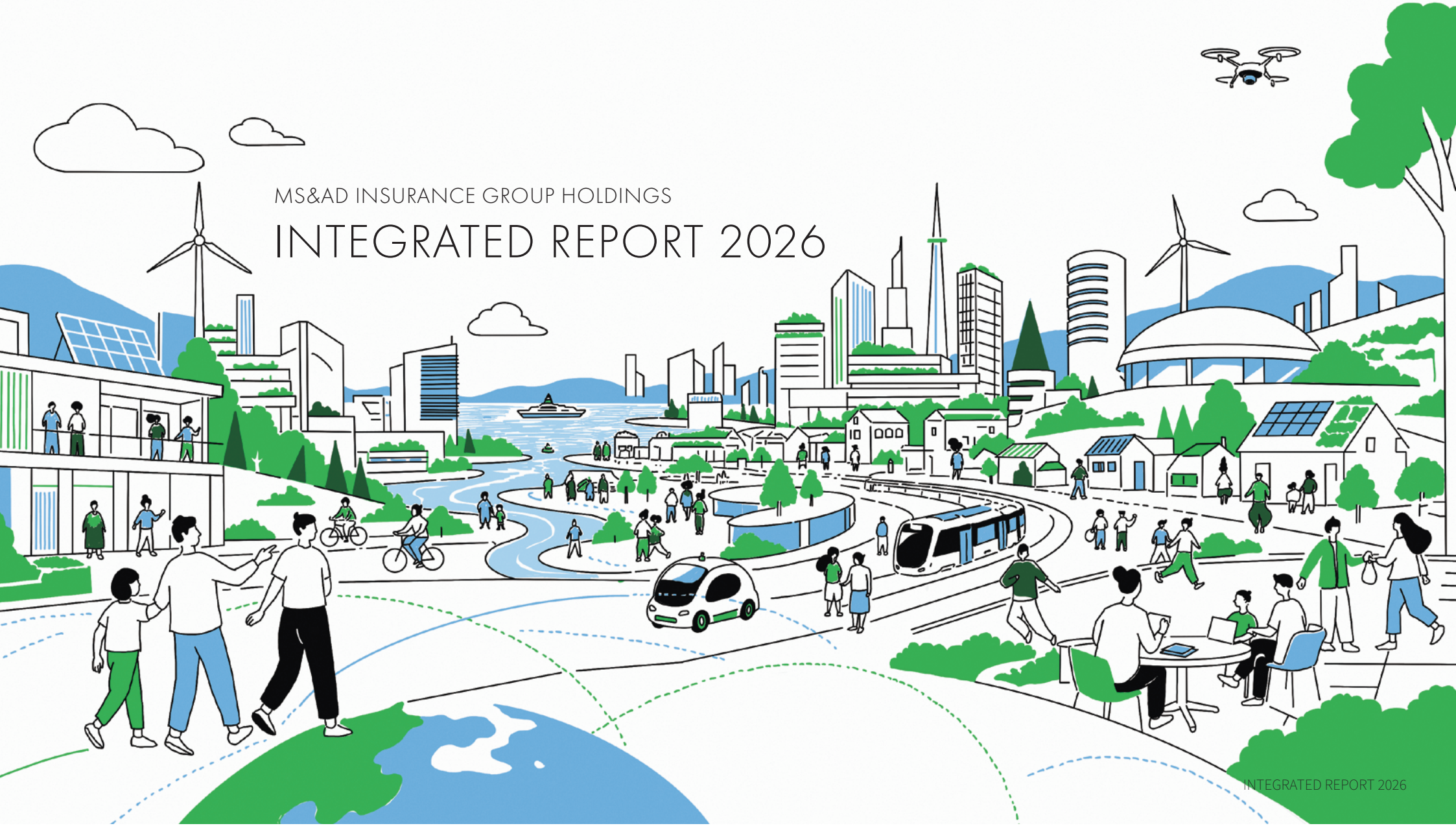
MS&AD Holdings
MS&AD INSURANCE GROUP

MS&AD INSURANCE GROUP HOLDINGS

INTEGRATED REPORT 2026



Contribute to the development of a vibrant society and help secure a sound future for the planet

Our Mission

The Group's Raison d'être

To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services business

Our Vision

The Group's aspirations for the medium term

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value

Our Values

The credo for all employees aimed at realizing the Group's mission

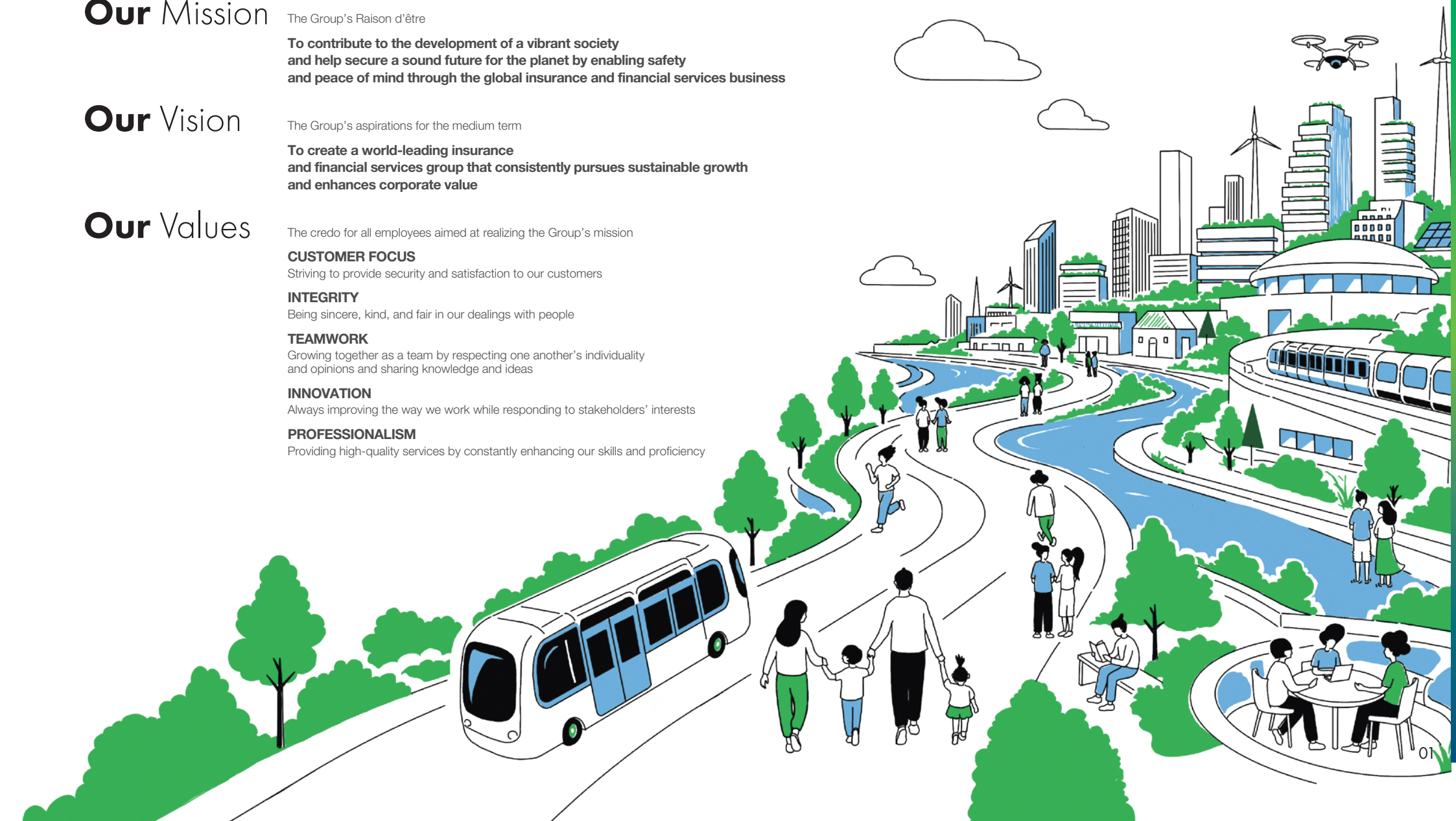
CUSTOMER FOCUS
Striving to provide security and satisfaction to our customers

INTEGRITY
Being sincere, kind, and fair in our dealings with people

TEAMWORK
Growing together as a team by respecting one another's individuality and opinions and sharing knowledge and ideas

INNOVATION
Always improving the way we work while responding to stakeholders' interests

PROFESSIONALISM
Providing high-quality services by constantly enhancing our skills and proficiency



Editorial Policy / Highlights

Highlights of the Integrated Report 2026

01

CEO Funabiki's Statement of Commitment

In his own words, the CEO explains the Group's medium- to long-term direction as it seeks to become a global top-tier "comprehensive insurance company," the strengthening of holding company functions, governance, its awareness of the issues it faces, and its sustainable growth strategy based on these factors.

CEO Message P.04

02

The Group Vision for FY2030

We clearly explain our current position, group strategy, and main initiatives, among other items, as we work to establish an earnings structure capable of generating more than ¥800 billion in adjusted profit in FY2030, even after completing the sale of strategic equity holdings.

The Group Vision for FY2030 P.20

03

Management Strategies from Our CxOs

The seven CxOs—the CFO, CRO, CHRO, CGO, ClvO, CSuO, and CDO—discuss the strategies and initiatives in their respective areas for realizing the Group's aspirations.

CxO Messages P.27

04

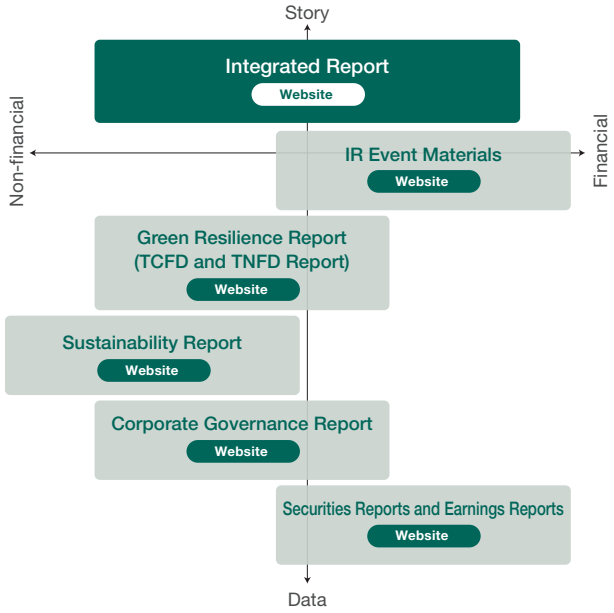
Message from the Chairman of the Board of Directors and Roundtable Discussions

This section includes an interview with the Chairman of the Board of Directors and roundtable discussions with Outside Directors and Audit and Supervisory Committee Members. The participants discuss their assessment of the effectiveness and operation of the Board of Directors and its future direction as the Group seeks to build governance that robustly supports enhanced corporate value.

Message from the Chairman of the Board of Directors P.63

MS&AD Insurance Group Disclosure Framework

In preparing this Integrated Report, we have emphasized the communication of the Group's medium- to long-term growth story to our stakeholders. We hope readers will also look at our other publications.



On the Issuance of the MS&AD Integrated Report 2026

Since FY2015, the MS&AD Insurance Group has published the Integrated Report to provide readers with a deeper understanding of the Group's commitment to medium- to long-term value creation. Through this report, we have created the opportunity for constructive dialogue with stakeholders regarding the Group's mission as a "value creation story."

In this year's Integrated Report, we frankly explain the strategies, initiatives, and challenges involved in realizing our newly established strategy, "The Group Vision for FY2030," while presenting top management's thinking and commitment through messages and roundtable discussions. Beginning this fiscal year, the report is available exclusively online to improve readability and convenience and reduce its environmental impact. At investors' request, we adopted a landscape format suited to computers and tablets and redesigned the report for greater readability and clarity.

With this year's Integrated Report, we hope to promote positive perception for the Group by creating an even greater understanding of it among stakeholders such as customers, shareholders, and investors. We continue to value dialogue with stakeholders, and with the aim of further improving disclosure and enhancing transparency we invite our stakeholders to share their honest feedback with us.

As CFO responsible for the editorial process, I hereby affirm that the process for preparing the Integrated Report has been carried out appropriately and that the information contained herein is accurate.

August 2026
Representative Director,
Executive Vice President
CFO



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038 ERM



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Explanation of the cover

This cover depicts how our Group contributes to the development of a vibrant society and a healthy future for the planet through its business activities.



Message from the President and CEO

CEO Message

Building a new growth model and becoming a global top-tier “comprehensive insurance company”



Shinichiro Funabiki
Representative Director
President & CEO

Transforming our business model to achieve true “customer-focused” operations

We are now standing at a major turning point. In April 2027, the MS&AD Group will be reborn as the Mitsui Sumitomo Insurance Group. Furthermore, the merger of our core subsidiaries, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, will create Japan’s largest non-life insurance company. This will mark an important milestone in the Group’s history of more than 130 years. At this juncture, the transformation of our business model must be our foremost priority. We must do more than simply change the way we conduct business. We must embed a customer-focused approach into our fundamental attitude toward business and into our very way of thinking. That is something I feel strongly about.

The Japanese insurance industry has experienced a series of misconduct incidents in recent years. The regulatory tightening prompted by these incidents is now driving a major paradigm shift in the insurance industry. Under these circumstances, to achieve true customer-focused operations and become the “company most chosen by customers,” we must first fundamentally transform our values and behavior. We will reassess the respective roles of insurance companies and agents, enhance our underwriting capabilities and price competitiveness, and compete based on the intrinsic value of insurance. In other words, what matters most is the value we can provide to our customers.

Regulatory tightening is not the only change affecting our business environment. Faced with challenges such as the increasing frequency and severity of natural catastrophes, heightened geopolitical risks, and inflation, we considered what structure would be best for improving the sustainability of our insurance business and providing customers with optimal products and services and experiences that exceed their expectations. We consequently decided to merge our two core subsidiaries and bring together their knowledge and expertise. I am convinced that completing the merger at this time is the optimal solution for becoming the “company most chosen by customers.”

In May 2026, we announced the Group’s new management plan. While retaining our Mission, Vision, and Values as our unwavering compass, we have already begun initiatives to realize our Group Vision for FY2030 through business model transformation. I would now like to explain the thinking behind these aspirations.

Group Vision for FY2030

Looking back on the four years of the previous Medium-Term Management Plan (2022–2025), the accelerated sale of strategic equity holdings, remarkable growth in the international business, and improved profitability in the domestic non-life insurance business enabled us to achieve record profits for three consecutive fiscal years. We also achieved our FY2025 numerical targets of ¥760.0 billion in Group adjusted profit and Group adjusted ROE of at least 16%.

To further develop the results of our initiatives to strengthen our earnings foundation and transform our business portfolio, we have adopted “Taking on Risk, Leading the World” as the guiding principle for our Group Vision for FY2030 and established numerical targets of ¥800.0 billion in adjusted profit and adjusted ROE of at least 11%. Strategic equity holdings will be a key factor in achieving these targets. Stricter regulations will completely eliminate the conventional business model premised on cross-shareholdings between companies. We have obtained the consent of the issuers concerned to sell all our strategic equity holdings by the end of March 2030, and the balance of these holdings is steadily declining.

At the same time, looking ahead to FY2030 and beyond, it is essential that we establish an earnings structure that does not depend on the temporary gains generated by strategic equity holdings. In other words, we must formulate and execute growth strategies capable of generating sustainable profits and thereby increase the certainty of achieving our targets. I also recognize that one of my important responsibilities is to ensure that shareholders have a clear understanding of what the Company will look like after all its strategic equity holdings have been sold.

Once strategic equity holdings have been sold, they are no longer available to us. For that very reason, we cannot afford to fail in making growth investments funded by their sale. With this firm determination, we have carefully considered business investments that can be expected to generate reliable returns and have a high probability of driving the Group’s growth in the near future. The most important building block was our strategic investment in U.S.-based W. R. Berkley Corporation (hereinafter, “WRB”) in FY2025. Through stable equity-method earnings and synergies such as expanded preferential reinsurance transactions and collaboration in underwriting specialty lines in Japan and ASEAN, we have established a framework capable of steadily generating ¥100.0 billion in profit. We also expect the investment in Barings LLC (hereinafter, “Barings”) made in FY2026 to generate ¥75.0 billion in profit through equity-method earnings and asset management income. Together with these investments, we will achieve our target adjusted profit of ¥800.0 billion ahead of schedule



through the ¥150.0 billion cost reduction resulting from the merger of our two core domestic non-life insurance companies.

Two growth drivers toward adjusted profit of ¥1 trillion in the early 2030s

Beyond that, we aim to achieve adjusted profit of ¥1 trillion between FY2030 and FY2035. The first driver will be our life insurance business. Our efforts to strengthen the life insurance business are underpinned by the shift "from savings to investment" in Japan and government policies supporting that transition. Amid this major paradigm shift, society's expectations of life insurance are increasing. To meet these expectations, we decided to invest in Barings not only to develop fulfilling products but also to strengthen the underlying structure of our life insurance business. Barings is an asset management company owned by Massachusetts Mutual Life Insurance Company, a major U.S. life insurer commonly known as MassMutual. It specializes in asset management aligned with the asset and liability management needs of insurance companies. At the same time, MassMutual possesses a reinsurance platform that enables the diversification of risks associated with savings-type products. In fact, when considering an investment in an asset management company, our candidates included other companies larger and better known than Barings.

However, we were seeking more than simply the acquisition of asset management expertise or improved investment performance. We wanted to obtain extensive knowledge directly linked to the development of higher-value-added products, which led us to invest in Barings. This investment was made possible because Barings satisfied three conditions—having a life insurance company as its parent, possessing an outstanding asset management track record, and having access to a reinsurance company—and because the strategies of both parties were aligned.

Since FY2025, a series of misconduct incidents in the life insurance industry has also revealed issues with existing business models and product sales structures. In light of these developments, significant changes to the rules and regulations governing life insurance solicitation are expected. We have approximately 30 years of experience selling life insurance through non-life insurance agents subject to rigorous governance requirements. I believe that this is precisely the kind of environment in which we can demonstrate our competitive advantage.

At an early stage, Mitsui Sumitomo Primary Life will develop new products utilizing Barings' expertise and launch them through our non-life insurance agency network. By establishing an environment that allows us to deliver our value to more customers, we will quickly double profit from our life insurance business from the current level of approximately ¥50.0 billion to ¥100.0 billion.

The other powerful driver toward adjusted profit of ¥1 trillion will be the international business. By further strengthening our international business initiatives, I can say with confidence that we can achieve FY2030 adjusted profit target ahead of schedule. International

markets are enormous, but there remain areas in North America and Asia that we have yet to fully develop. Although signs of market softening (a decline in premium rates) are currently emerging in the global insurance market, hard-market conditions (characterized by rising or persistently high premium rates) continue in certain areas and positions where we have strengths. Other areas are relatively unaffected by softening. We therefore expect to continue achieving steady growth in both revenue and profit.

Our international business is shifting from a period focused on turning around individual operations to a period of genuine growth. Going forward, we will advance to a new phase in which we generate synergies from the perspective of optimizing the business as a whole. Following the acquisition of MS Amlin in 2016, the company experienced a difficult period for profitability. Through fundamental reforms, however, we restored it to the growth trajectory it should have been pursuing. This experience has become an important asset for our international business. By leveraging this expertise in expanding our business in the Americas and to making business investments, we believe that we have established a foundation for further growth.

In FY2026, we established the International Executive Committee (IEC) to create a Group-wide business management structure led by multinational management personnel. We plan to further strengthen the IEC and incorporate it as MSIG International in April 2027, enabling us to flexibly secure and deploy outstanding talent worldwide. Our local employees around the world have responded quite positively to this organizational restructuring. They recognize that the restructuring and substantial expansion of our international business will provide opportunities for them to take leading roles and succeed on the global stage. As a result, they are approaching their work with even greater motivation than before.

As market softening progresses, we will rigorously maintain underwriting discipline to secure stable earnings while ensuring financial soundness. We will also establish in advance a structure that allows us to pursue an offensive growth strategy when the market eventually hardens again. This approach embodies the capability we acquired through the turnaround of MS Amlin. It will help us achieve our FY2030 adjusted profit target ahead of schedule and become a major driver of growth toward adjusted profit of ¥1 trillion beyond that point.

Starting from our FY2030 adjusted profit target of ¥800.0 billion, we will steadily add ¥100.0 billion from the international business and another ¥100.0 billion from the life insurance business. This is our roadmap toward adjusted profit of ¥1 trillion.

Becoming a global top-tier “comprehensive insurance company”

In non-life insurance, we offer both primary insurance and reinsurance. In life insurance, our lineup includes both asset-type and protection-type products. In Japan and overseas, we provide a broad range of products and services for both individual and corporate customers across every market segment. However, we are not satisfied with our current position. In the future, we intend to become a “comprehensive insurance company” that ranks alongside the world’s top tier.

In Japan, we will recognize our responsibilities as the leading company and become an organization that provides multifaceted value to society through sincere conduct befitting that position. MS&AD InterRisk Research and Consulting, Inc., serves as the Group’s intelligence hub, accumulating the specialist knowledge, advanced thinking, and expertise necessary to achieve this goal and disseminating information broadly throughout society. In April 2027, the company will change its name to Mitsui Sumitomo Risk Research Institute. As the Group’s “knowledge hub,” it will further enhance its capacity to provide value as a think tank through market research, basic research, and policy recommendations in risk-related fields such as climate change and natural capital, disaster prevention and mitigation, and cybersecurity.

Mitsui Direct General Insurance, another important member of the Group, will also change its name to Mitsui Sumitomo Direct General Insurance and strengthen its structure as a strategic sales channel. Successive increases in voluntary automobile insurance premiums, heightened customer price sensitivity amid inflation, and revisions to comparative recommendation sales practices are changing customers’ purchasing behavior. Against this backdrop, direct non-life insurers will become increasingly prominent. We will establish a framework that not only enables customers to complete transactions entirely online but also allows direct insurance products to be sold through agents. This will expand the range of channels through which both customers and agents can make the most appropriate choices.

To stand alongside and ultimately surpass the world’s top-tier insurers, we will grow as a “comprehensive insurance company.” No other company in Japan has a comparable platform centered on domestic and international non-life and life insurance businesses while also encompassing a direct non-life insurer and a think



tank that makes policy recommendations and providing customers with maximum value from every possible perspective. Even globally, there are few comprehensive insurance companies. We believe that this will be a major strength in realizing our growth strategy.

By enabling customers to experience the value of doing business with both Japan's leading insurer and a global comprehensive insurance company, we will firmly establish our position in the market as the "company most chosen by customers."

The holding company's four missions within a comprehensive insurance company

As we become a comprehensive insurance company, the role of the holding company will also change significantly. Until now, the holding company has largely functioned as a coordinator between Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance. Going forward, it will evolve into the command center that drives the entire Group's growth strategies and governance. We have already consolidated and transferred to the holding company its command-center functions for the international business, life insurance business, and asset management. We will continue strengthening the Group management structure by clearly defining the respective roles of the holding company and the operating companies.

I believe that the holding company has four principal missions. The first is to exercise strong leadership in maximizing profits across the entire Group. The second is to implement highly sophisticated governance by rapidly identifying regulatory trends in Japan and overseas and changes in society's values through information from all operating companies and the Group's think tank. The third is to establish a common personnel system and skills-mapping framework that enables diverse human assets in Japan and overseas to demonstrate their capabilities and allows us to optimally deploy talent across national borders. To compete alongside the world's top-tier companies, we must create an environment in which every employee can recognize and articulate their own value and in which that value is also recognized by others. We will also establish career paths that enable international talent to succeed, be promoted, and take on leadership roles at our head office. The fourth is to establish a structure that enables us to benefit from economies of scale and greater purchasing power by centrally managing and investing funds that were previously dispersed among individual operating companies. We will centralize our asset management structures, with the holding company taking the lead.

We will continue accelerating our international business against a backdrop of high growth expectations. At the same time, we must never forget that financial institutions constitute critical infrastructure protecting the foundations of countries and their people. As a Japanese insurance company that has long borne this responsibility, we have a proven record of meeting the high standards of operational quality required by Japanese regulators and conducting our business soundly in accordance with extremely rigorous governance frameworks and rules. This has earned us a high level of trust and recognition overseas as well.

Our governance framework also continued to evolve steadily in FY2025. We transitioned to a company with an Audit and Supervisory Committee and established a Board on which Outside Directors constitute a majority. In addition to strengthening the functions of the Board of Directors, each Director is now more acutely aware

of their responsibility for governance over management and for business execution. Their engagement with and attention to the status of business execution and management issues have increased significantly.

Even in an era of rapid change, we will continue making unceasing efforts to establish a robust governance framework that enables us to make management decisions more swiftly and appropriately than ever.

The pride and initiative expected of employees of a leading company

I look forward to and greatly value opportunities to communicate with Group employees, including through town hall meetings. One message I frequently convey to employees is that they must maintain a strong awareness of what is expected of them as employees of a leading company. Employees of a leading company must not limit their thinking to their own or the Company's interests, such as merely achieving the targets assigned to them. They must constantly consider the value an insurance company should provide to society and the true role they should fulfill, and then put into practice what they and the Company can do to help solve social issues. That is the mindset required of us.

The insurance business carries significant social responsibilities and is therefore subject to rigorous rules. We naturally conduct our operations in compliance with those rules. However, I believe that employees cannot experience the true fulfillment and sense of achievement that come from working for an insurance company if they approach their work defensively—preoccupied solely with avoiding any deviation from prescribed rules and afraid to take action. Employees of a leading company must fully understand the Company's role in society, the reasoning underlying the rules, and the relevant laws and regulations. Within that framework, they must independently consider and act on what can and should be done, sometimes with the determination and ambition to create new rules themselves. When people work with initiative, their work becomes more engaging. They can feel that they made the right decision in choosing this industry and that they are fortunate to contribute to society through the insurance business. Their own lives consequently become richer and more enjoyable. That is the message I convey to our employees.

An insurance company that supports bold challenges

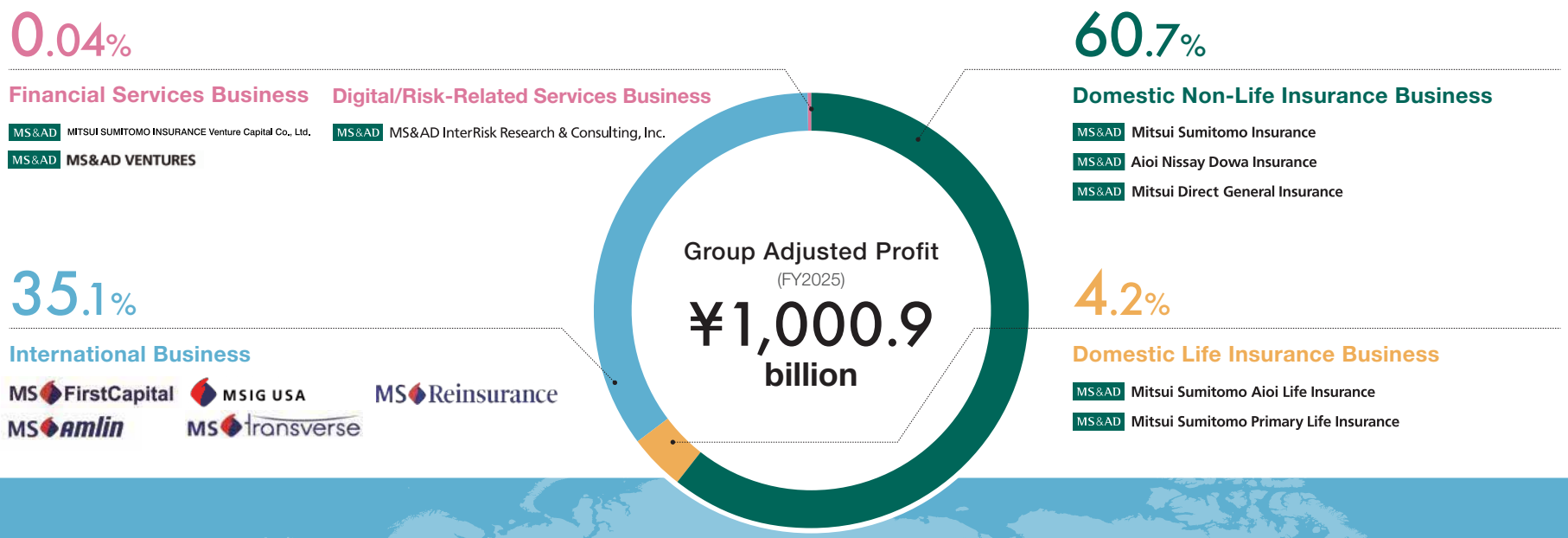
Since becoming President, I have emphasized dialogue with capital market participants and actively sought opportunities to engage with them. I recognize that market participants have considerable interest in and expectations regarding matters such as an increase in our dividend payout ratio and the scale of our share buybacks. At the same time, many shareholders and investors in Japan and overseas who are considering holding our shares over the long term are deeply interested in what kind of company we intend to become, our long-term vision, and the earnings structure we will have once that vision has been realized. While presenting a long-term vision, I believe it is also important to steadily accumulate short-term results as evidence that we are making progress toward it. Regarding both the targets established in our Group Vision for FY2030 and the subsequent path toward adjusted profit of ¥1 trillion, I can state with confidence that we have put the necessary building blocks in place and that the targets have a high probability of being achieved.

The role of an insurance company is widely understood by our diverse stakeholders as compensating for losses or providing protection against unforeseen accidents, disasters, illnesses, and other events. However, we want to be an insurance company that goes beyond this conventional role. Whenever humanity boldly ventures into an unknown world, it inevitably encounters unprecedented risks that no one can predict. We aspire to be an insurance company with the ambition and determination to share these unknown risks, support our customers' new challenges, and work alongside them to create a better future. This aspiration is embodied in our tagline, "Taking on Risk, Leading the World." We invite all our stakeholders to look forward to our new challenges and our journey as we evolve into a comprehensive insurance company providing non-life and life insurance globally. We sincerely ask for your continued understanding and support.

At a Glance

The MS&AD Insurance Group operates non-life and life insurance businesses globally, offering a wide range of products and services to address diverse risks worldwide. We aim to become a “world-leading insurance and financial services group” by leveraging the strengths of each Group company to meet the needs of our customers.

Five Business Domains of the Group



[International Business]

Overseas network in 48 countries and regions around the world

Europe

Entered the United Kingdom approximately 100 years ago
Positioned second only to local majors following the merger of two operating companies in continental Europe

Asia Pacific

No. 1 in gross written premiums (non-life) in the ASEAN region

Lloyd’s and reinsurance business

Strengths in specialized and global risk underwriting

Americas

Licensed to operate non-life insurance businesses in all 50 U.S. states and expanding from conventional business focusing on Japanese companies to include local businesses

FY2024 Gross Written Premiums Ranking of the ASEAN Countries
(based on MS&AD research/excluding reinsurers)

No. 1 Mitsui Sumitomo Insurance (Approx. ¥308.1 billion)
No. 2 Company A (Approx. ¥247.9 billion)
No. 3 Company B (Approx. ¥238.7 billion)

Figures in () are GWP totals for the following countries: Singapore, Malaysia, Thailand, Indonesia, Philippines, and Vietnam.

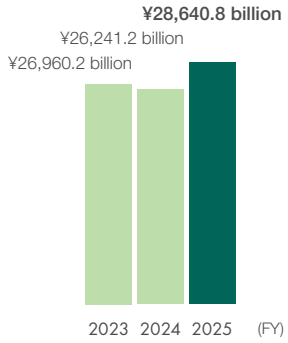
Numeric Data Representing the Status of the Group*

*Data as of the end of FY2025, except where noted

Financial base

Consolidated total assets

¥28,640.8 billion

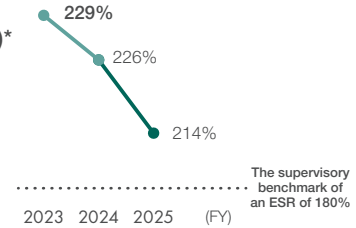


Soundness

ESR (Economic Solvency Ratio)*

214%

Maintaining a high level of risk resilience (soundness)



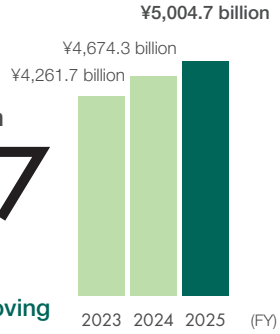
*An indicator of whether the company is adequately capitalized for risk

Profitability

Consolidated net premiums written

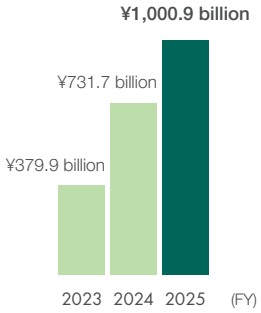
¥5,004.7 billion

Profitability is steadily improving



Group adjusted profit

¥1,000.9 billion



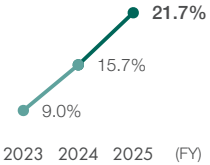
Rate of growth in earnings per share (EPS)

18%

*Average growth rate from FY2015 to FY2025

Group adjusted ROE

21.7%



Rating information*

Standard & Poor's **A+**

Moody's **A1**

Rating and Investment Information, Inc. **AA**

Maintaining high ratings from rating agencies

*Credit Ratings for Domestic Insurance Companies

ESG evaluation

MSCI ESG Rating **AA**

CDP **A**

Earned high ratings

Selected for inclusion in the World Index

MS&AD's Value Creation Story

Under its mission "To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services businesses," the MS&AD Insurance Group addresses risks arising from social issues, supports customers' peace of mind through its products and services, and contributes to the sustainable development of society.

Value Creation Resources
Resources supporting MS&AD

Financial Capital
- Sufficient and sound financial base for underwriting risk and growth investment

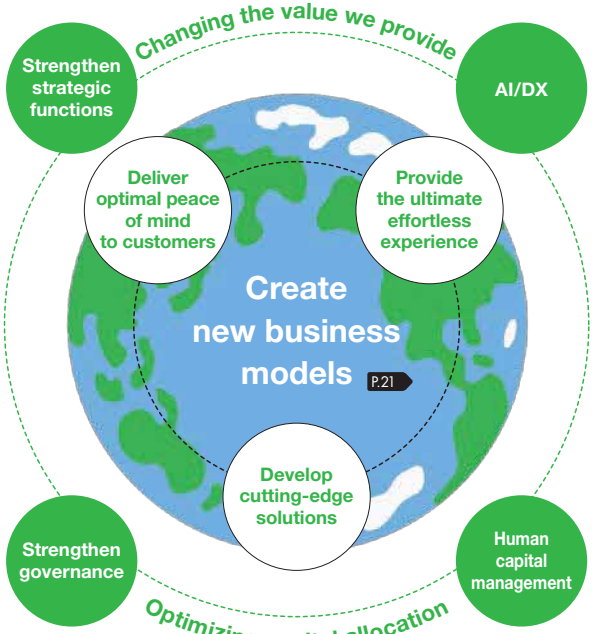
Human and Intellectual Capital
- Global and diverse human assets
- Most abundant risk data in Japan and the ASEAN region
- Building a digital platform

Social and Relationship Capital
- No. 1 customer base and sales network in Japan
- Partnerships with top companies in other industries

Natural Capital
- Resources necessary for business activities

P.13

Value Creation System
Business model and value proposition



Products and services that solve social issues

- Domestic Non-Life Insurance Business
- Domestic Life Insurance Business
- International Business
- Financial Services Business
- Solutions to Social Issues Business

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Key Management Issues
P.18

- Enhancing the value we provide
- Addressing natural catastrophes
- Addressing demographic changes
- Respect for human rights in business
- Promoting human capital management
- Strengthening governance

Value Creation Achievements

Improving environmental and social sustainability (Social value)

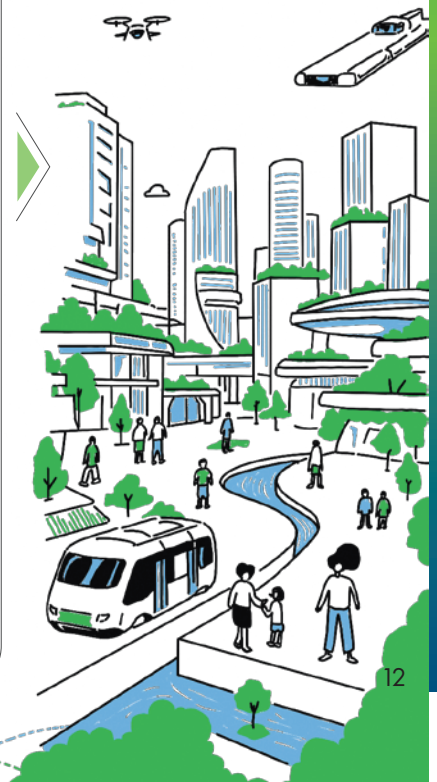
P.16

Enhancing our enterprise value (Economic value)

P.15

Mission

To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services business



Value Creation Resources and Outcomes

A check mark indicates that FY2025 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Value Creation Resources (inputs)

[Resources supporting MS&AD]

Financial Capital

Sufficient and sound financial base for underwriting risk and growth investment

Consolidated net assets	¥4,825.1 billion
ESR (Economic Solvency Ratio)	214%

Human and Intellectual Capital

Global and diverse human assets

48 countries worldwide	39,746

Most abundant risk data in Japan and the ASEAN region

Number of risk assessments and investigations conducted for business continuity and development	1,363

Building a digital platform

Participants in the digital talent development program	1,863

Social and Relationship Capital

No. 1 customer base and sales network in Japan

Number of domestic customers (Two non-life insurance companies)	Approx. 2.45 million companies
	Approx. 44.78 million individuals
Number of domestic non-life insurance agents	56,144
Domestic claims handling service centers	376

Partnerships with top companies in other industries

Natural Capital

Resources necessary for business activities

Total energy consumption	565,364 GJ
Water usage	689 thousand m³

[Examples of strengths]

- Strong financial base to enhance underwriting capabilities
- Solid capital and soundness to enable growth investments

- Innovation by diverse human assets
- Globally active professionals with specialized expertise

- Robust sales and service network that leads to quality improvement
- Collaborative framework with domestic and international business partners to generate new solutions

- Products that contribute to the decarbonization of society and a circular economy
- Reduction of GHG emissions in collaboration with insurance underwriting counterparties and investees/financing recipients

[Expansion measures]

We are maximizing cash flow while striving for efficient capital cycle management to achieve sustainable growth and enhanced profitability. P.32

We are promoting the introduction of a "skills-based personnel system" to further enhance our employees' specialized skills and enable us to provide new value to our customers. P.39

Through investments in start-ups and research activities via industry-academia collaboration, we are rapidly adopting cutting-edge technologies and business models. P.59

Together with industry, government, and academic partners, we are advancing "Green Resilience" initiatives that harness nature's bounty to mitigate the impact of natural catastrophes. P.57

Value Co-Creation with Stakeholders

Customers

Quality improvement and provision of products and services utilizing customer feedback

All employees implement the "Customer Focus" attitude expressed in the code of conduct (Our Values), listen to customer feedback broadly, and provide high-quality products and services to solve social issues and achieve the "sense of security and satisfaction of our customers."

Shareholders

Our Group's sustainable growth and medium- to long-term improvement in shareholder value

We make highly transparent information disclosure, actively engage in constructive dialogue with shareholders, and reflect outcomes of these activities in managing our Group, thereby striving to create more value and improve corporate value.

Agents

Mutual growth as business partners

By communicating smoothly, and thinking and acting together with our agents, we will provide high-quality services and optimal insurance products to customers and mutually pursue the growth of agents and our Group.

Business Partners

Value creation across the entire supply chain

We, together with our supply chain, meet the expectations of society with stronger compliance, respect for human rights, and consideration of the environment.

Employees

Improvement of employees' satisfaction and motivation, which is a driver of the MS&AD Group's growth

We create a working environment where employees can work with a sense of feeling motivated and job satisfaction and provide opportunities for everyone to play an active role. We foster a corporate culture that respects a diverse sense of values, thereby generating innovation.

Local communities International community

Solving social issues through collaboration with diverse partners

We work together with diverse partners such as cooperating with domestic and overseas industrial organizations and local governments and collaborating among industries, academia, and government, thereby protecting the Earth's environment and social sustainability and contributing to developing a vibrant society.

Environment

Improvement of our planet's sustainability

To live in harmony with the global environment, we consider sustainability in all our business activities and are working to address climate change and improve the sustainability of natural capital.

Value Creation Results (outcomes)

Sustainable growth foundation

Financial Capital

	FY2024	FY2025
Pursuit of capital efficiency		
Group adjusted profit	¥731.7 billion	¥1,000.9 billion
Group adjusted ROE	15.7%	21.7%
Cumulative TSR for the past 10 years	242.6%	357.8%
Continuous and stable shareholder returns		
Total shareholder yield	7.4%	9.4%
Dividend yield	4.5%	4.0%

Innovation by diverse human assets

Human and Intellectual Capital

	FY2024	FY2025
Providing work environments where employees can experience a sense of purpose and fulfillment		
Employee satisfaction "Pride, feeling motivated"/ "Working vigorously"	4.4pt/ 4.7pt (maximum score: 6 points)	4.5pt/ 4.8pt (maximum score: 6 points)
Creativity born from diversity		
Percentage of mid-career employees among managerial staff	24.5%*1	25.6%*2
Number of applicants for the Business Innovation Challenge Program (Entrepreneurship challenge course)	57	76
Digital human assets	8,490*1	11,549*2
Internationally experienced employees	1,243*1	1,261*2

*1 As of April 2025 *2 As of April 2026

Establishment of strong partnerships

Social and Relationship Capital

	FY2024	FY2025
Recovery of social losses		
Net claims paid	¥2,489.0 billion	¥2,430.5 billion
Life insurance claims	¥492.3 billion	¥457.1 billion
Number of auto accident cases received (domestic, excluding CALI)	2.942 million cases	2.88 million cases
Customer-focused business operations		
Customer satisfaction (questionnaire at time of insurance payment)	95.0%	94.1%
Expanded problem-solving through regional cooperation with local governments across Japan		
Instances of support for the resolution of issues faced by regional companies (e.g., consulting, seminars)	11,091 cases	10,601 cases

Our planet's sustainability

Natural Capital

	FY2024	FY2025
Helping to create a zero-carbon society		
Greenhouse gas emission reduction rate Scope 1 + 2 (versus FY2019)	-40.0%	-50.2%
Renewable energy usage rate	27.0%	29.2%
Contributing to the conservation of biodiversity		
Number of employees participating in social contribution activities	21,406	21,039
Damage to natural capital		
Greenhouse gas emissions (Scope 1 + 2)	53,114 t-CO_2	44,046 t-CO_2 ✓
Amount of waste discharged (final disposal)	2,530 t	2,646 t ✓

[Closely related materiality]

[Examples of Value Creation Results (outcomes)]

Quantitative assessment service on the climate change impact of the TCFD recommendations

We work with Jupiter, a climate analysis company, to provide quantitative risk assessments of climate change impacts.

13,142 bases

*Cumulative total from FY2020

(Cumulative number of bases to which we provided quantitative assessment services for physical risks from climate change impacts)

Products to cover cyber risks

We support cybersecurity countermeasures and provide coverage to hedge damage resulting from the unlikely event of a cyberattack.

23,668 companies

(Number of corporations and organizations protected from cyber risks)

Support for addressing human rights issues

We support companies in their efforts to address human rights issues and develop insurance proposals related to corporate welfare and health management.

961 cases

(Number of human rights–related consultations, training, seminars, etc., conducted for companies, etc.)

Disaster prevention and mitigation services

We solve our customers' risks and challenges with "insurance × pre- and post-compensation solutions," contributing to the realization of a safe and secure society.

3,540 cases

*Cumulative total from FY2023

(Number of pre- and post-compensation solutions to address natural disaster risks, earthquake risk analysis, etc.)

Review of the Medium-Term Management Plan

The MS&AD Insurance Group, together with its customers, shareholders, and other stakeholders, has developed a value creation story and made steady progress toward the realization of becoming the "world's leading insurance and financial group," including achieving record-high Group adjusted profit of ¥1,000.9 billion in FY2025. To realize our medium- to long-term vision, we pursued sustainable growth by creating shared value with society through the provision of solutions to social issues, including by promoting the CSV×DX strategy.

New Frontier 2013

Development of the Mission

The MS&AD Insurance Group was founded with the mission of "contributing to the development of a vibrant society and helping to secure a sound future for the planet."

Achievements: We have promoted the integration of Group management, including the development of a system that will serve as a common foundation for the domestic non-life insurance business, and clarified the form of Group management through "reorganization by function."

Issues: The Group missed its targets for Group core profit and Group ROE in the final year of the Medium-Term Management Plan "New Frontier 2013" owing to the occurrence of large-scale natural disasters, including the Great East Japan Earthquake and floods in Thailand.

Next Challenge 2017

Building of a value creation story

Evolve and develop Group integration based on the value creation story that embodies our mission

Achievements: We have put in place a stable earnings foundation through Group management integration via "reorganization by function." We strengthened ERM and promoted sales of strategic equity holdings and international business investment, thereby improving capital efficiency and building a growth base.

Issues: Owing to the impact of the U.S. hurricanes and other factors in FY2017, profits fell substantially in the international business, and we did not achieve our targets for Group core profit and Group ROE.

Vision 2021

Develop management based on CSV

Set the SDGs as a guidepost, set the social vision for 2030, and promote CSV

Achievements: While deepening "reorganization by function," Group adjusted profit of ¥347.1 billion exceeded the target and Group adjusted ROE exceeded expectations at 9.5%. In terms of scale, the Group maintained a leading position among global non-life insurance groups.

Issues: Due to the impact of overseas natural disasters and COVID-19 on stock market conditions, etc., the diversification of risk and business portfolios became an ongoing issue.

Medium-Term Management Plan (2022–2025)

Implementation of growth strategies based on CSV

Full-scale development of CSV×DX×Global

Results: The targets under the Medium-Term Management Plan (2022–2025) were Group adjusted profit of ¥760.0 billion and Group adjusted ROE of 16%. In addition to improved profitability in the domestic non-life insurance business through strengthened underwriting and other measures and increased interest and dividend income, factors including lower domestic natural catastrophe losses, increased gains from the sale of strategic equity holdings, and profit growth in the international non-life insurance business resulted in FY2025 Group adjusted profit of ¥1,000.9 billion and Group adjusted ROE of 21.7% at the end of FY2025, both substantially exceeding the targets under the Medium-Term Management Plan (2022–2025). ESR was 214% and within the target range (180%–250%), reflecting an increase in net asset value due to changes in the market environment (higher domestic share prices and a weaker yen) and a decrease in the amount of risk resulting from the sale of strategic equity holdings, among other factors.

Issues: The ongoing challenges for the domestic non-life insurance business include improvement in profitability and business portfolio reform as well as establishing a sustainable business operating framework by realizing Group synergies, considering factors such as a rising average payout per claim arising from continuing inflation, the increasing severity of natural catastrophes, and reduced gains from the sale of strategic equity holdings.

Group Vision for 2030

Taking on Risk, Leading the World

Numerical Management Targets Financial

(¥ billion)

	FY2010 results	FY2013 Results	FY2013 Revised targets	FY2014 results	FY2017 Results	FY2017 Revised targets*4
Group core profit*1	**14.5**	**94.8**	**110.0**	**155.7**	**105.0**	**220.0**
Domestic Non-Life Insurance Business	6.5	47.8	60.0	92.4	190.1	135.0
Domestic Life Insurance Business	4.1	24.4	15.0	20.4	34.3	15.0
International Business	1.8	18.0	30.0	38.2	-125.0	66.0
Financial Services/Risk-Related Services Business	1.9	4.4	5.0	4.6	5.6	5.0
Group ROE*1	0.8%	4.5%	7.0%	5.9%	3.7%	7.5%
Consolidated net premiums written	2,541.4	2,809.5	2,700.0	2,940.7	3,446.9	3,570.0
Combined ratio (domestic non-life insurance)	-	-	-	96.0%	92.8%	93% range
Annualized premiums of policies in force (life insurance)*2	278.0	333.5	330.0	-	-	-
Increase in EV*3 of MSI Aioi Life	-	-	-	59.7	41.3	more than 50.0

(¥ billion)

	FY2018 results	FY2021 Results	FY2021 Revised targets*6
Group adjusted profit	**189.8**	**347.1**	**300.0**
Domestic Non-Life Insurance Business (excluding gains/losses on sales of strategic equity holdings)	146.9 (65.1)	230.7 (173.5)	177.0 (150.0)
Domestic Life Insurance Business	31.6	75.7	41.0
International Business	5.4	34.3	75.0
Financial Services Business/Risk-Related Services Business	5.8	6.3	7.0
Group adjusted ROE	6.1%	9.5%	10.0%
Consolidated net premiums written	3,500.4	3,609.0	3,580.0
Life insurance premiums (Gross premiums income)*5	1,599.9	1,314.4	1,000.0
MSI Aioi Life's EEV	819.4	923.6	962.0
ESR (Economic Solvency Ratio)	199%	228%	180%/220%

(¥ billion)

	FY2022 results*7	FY2023 results	FY2024 results	FY2025 Results	FY2025 Revised targets
Group adjusted profit	**222.2**	**379.9**	**731.7**	**1,000.9**	**760.0**
Domestic Non-Life Insurance Business (excluding gains/losses on sales of strategic equity holdings)	118.3	186.7 (58.9)	487.5 (75.3)	607.2 (214.0)*9	490.0 approx.(180.0)*8
Domestic Life Insurance Business	34.7	49.7	52.2	42.2	55.0
International Business	67.0	139.5	188.8	350.9	210.0
Financial Services Business/Digital/Risk-Related Services Business	2.0	4.0	3.1	0.4	5.0
Group adjusted ROE	6.1%	9.0%	15.7%	21.7%	16.0%
Consolidated net premiums written	3,933.2	4,261.7	4,674.3	5,004.7	4,890.0
Life insurance premiums (Gross premiums income)*5	1,707.5	1,827.3	1,640.3	1,741.0	1,670.0
MSI Aioi Life's EEV	908.0	918.9	-	-	-
ESR (Economic Solvency Ratio)	228%	229%	226%	214%	180%/250%

*1 The definitions for Adjusted Profit and Adjusted ROE, which have been identified as numerical management targets, were being reviewed under the Medium-Term Management Plan "Vision 2021," which was initiated in FY2018.
*2 Figures for MSI Aioi Life (excluding group insurance). The figure for FY2010 is the total for MSI Kirameki Life and Aioi Life.
*3 EV: Embedded Value (see "Glossary of Insurance Terminology" on P.114)
*4 FY2017 numerical management targets were revised higher from the initial targets in FY2016.
*5 Life insurance premiums (gross premiums income) are those of domestic life insurance subsidiaries only.
*6 FY2021 numerical management targets were revised from their initial values in FY2020 given Stage 1 progress.
*7 Figures after retrospective application of IFRS 17
*8 Excluding the impact of accelerated sales of strategic equity holdings
*9 Excluding the impact of loss on valuation of strategic equity holdings

Management Numerical Targets Non-Financial

A check mark indicates that FY2025 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

For the four aspects of the foundation (sustainability, quality, human resources, and ERM) that supported the three basic strategies of the Medium-Term Management Plan (2022–2025), we set the following numerical management targets (non-financial) for initiatives related to sustainability, quality, and human resources. By achieving these numerical management targets, we supported the promotion of our basic strategy to become a corporate group supporting a resilient and sustainable society.

Sustainability

Key issues	Progress		Target	FY2025 results
Symbiosis with the global environment -Planetary Health-	Greenhouse gas emission reduction rate (versus FY2019) Scope 1 + 2		FY2030: -50% FY2050: Net zero	-50.2%*1 (Reference: FY2024 result: -40.0%)
	Greenhouse gas emission reduction rate (versus FY2019) Scope 3		FY2030: -50% FY2050: Net zero	-21.8%*1 (Reference: FY2024 result: -26.9%)
		Underwriting/ Investments and loans*2	FY2030: -37%	-28.4% (FY2023)
			To advance initiatives to reduce GHG emissions together with our customers, we deepen our dialogue with them, identify challenges to reduction, and propose solutions to help address those challenges.	420 companies*3
	Renewable energy usage rate		FY2030: 60% FY2050: 100%	29.2%
	FY 2025	Premium growth rate of products that contribute to decarbonization and a circular economy Example: Carbon Neutral Support Agreement	Annual average 18%	Annual average 20.9%
Safe and secure society -Resilience-	FY 2025	Rate of increase in the number of underwritten policies for products that help improve the resilience of society Example: Cybersecurity insurance	Annual average 20%	Annual average 11.5%
		Instances of support for the resolution of issues faced by regional companies Example: Seminars on regional revitalization	10,000 instances a year	10,601 instances a year
Happiness of diverse people -Well-being-	FY 2025	Number of policies in force for asset-building products to support longevity Example: Tontine annuity insurance	100,000 cases	170,000 cases
		Number of policies in force for products that help solve health-related social issues Example: Medical insurance covering dementia and infertility treatment	2.60 million cases	2.27 million cases
		Instances of support for action by companies to address human rights Example: Harassment prevention consulting	1,000 instances a year	961 instances a year

*1 For details on the data calculation methodology, please visit our official website : Website
*2 Key Japanese domestic corporate clients selected based on insurance premium
*3 Cumulative total from November 2023 to the end of October 2025

Human resources and quality

( ): FY2025 results

Human resources

End of FY2030 (aiming for early achievement)

- Percentage of female managers: 30% (24.9% ✓)
- Percentage of female line managers: 15% (21.7%)
- Productivity improvement ratio of personnel expenses: 8.5% (9.1%)

FY2026

- Digital human resources: 7,000 people (11,549 people)
- Overseas human resources: 1,200 people (1,261 people)
- Percentage of mid-career hires among managerial staff: Current level (25.6%) or higher
- Percentage of non-Japanese managers among officers of overseas subsidiaries: Current level (73.6%) or higher
- Percentage of employees who exercise regularly: Current level (30.1%) or higher
- Target of percentage for male employees taking: Childcare leave: 100% (104.8%) Duration of leave: 4 weeks (17.8days)
- Employee awareness survey
  - Sense of feeling that our business helped create shared value
  - Ongoing awareness of Mission, Vision, and Values
  - Pride in work, feeling motivated
  - Playing active roles

→ The same level or higher compared with the previous year

See P.90 for employee satisfaction data

- Number of annual paid leave days taken: The same level or higher compared with the previous year (17.4 days)

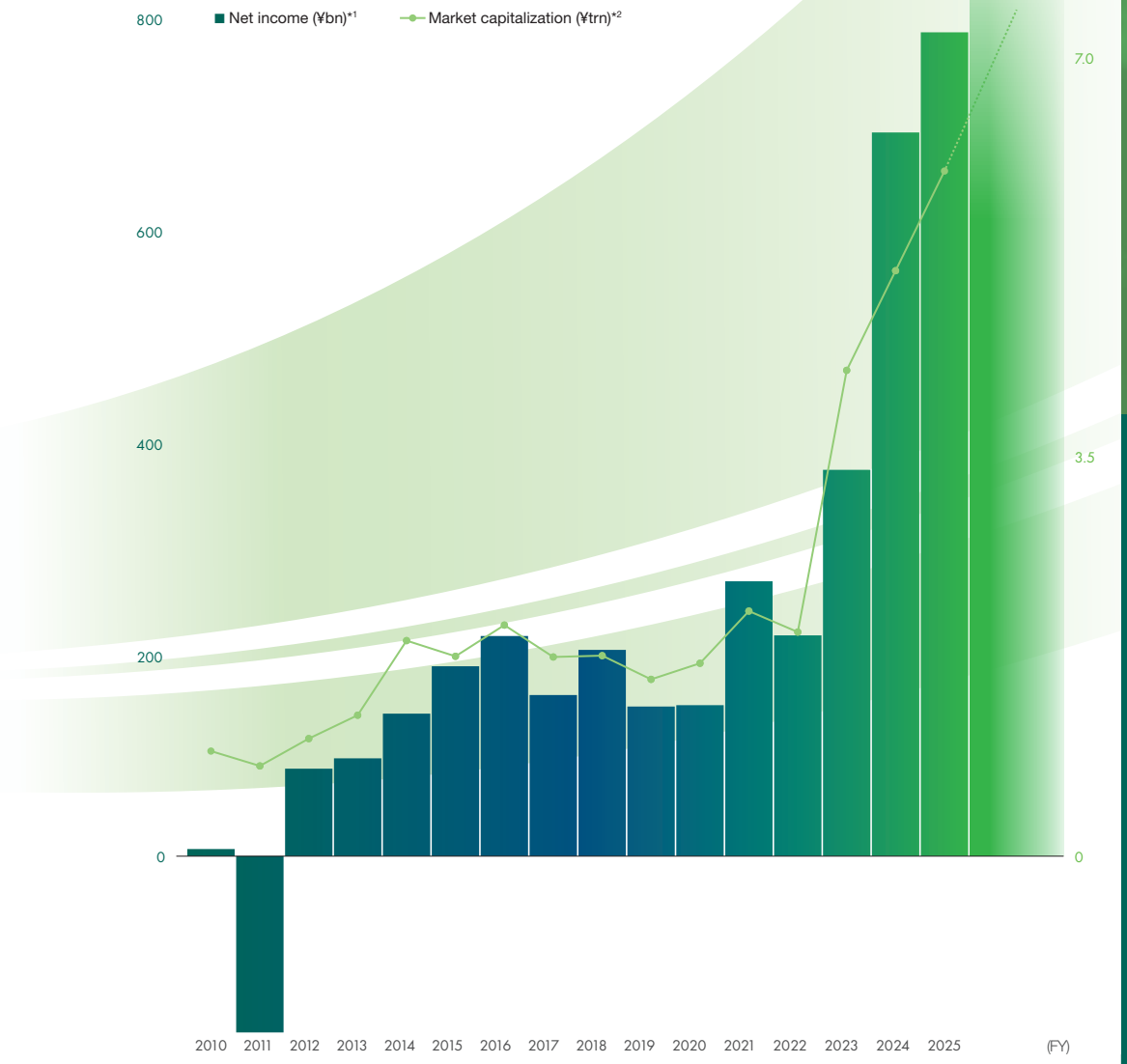
Quality

FY2025

- Customer satisfaction level (on contract procedures and the claim payment process): The same level or higher compared with the previous year

MS&AD Today

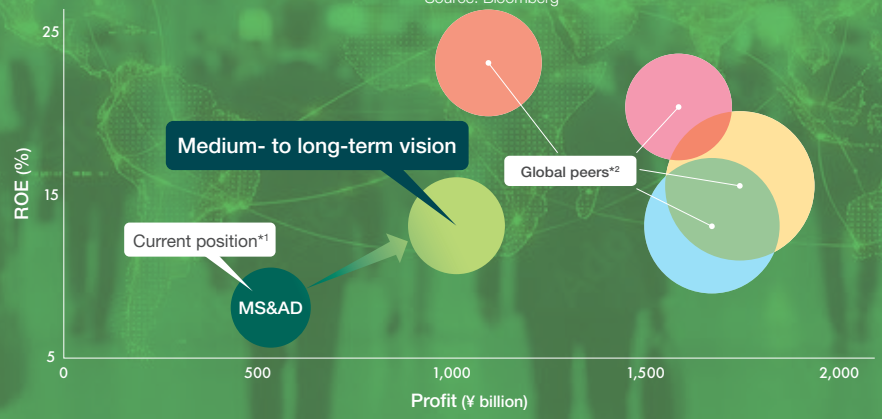
Trends in Market Capitalization and Profit



*1 Net income attributable to owners of the parent
*2 Source: Bloomberg

Comparison with Global Peers

*1 Adjusted profit and adjusted ROE for FY2025 (excluding gains on sales of strategic equity holdings)
*2 Global peers: Allianz, AXA, Chubb, and Zurich (FY2025)
Source: Bloomberg



MS&AD's Competitive Advantages

The non-life insurance group most chosen by customers in Japan

Net premiums written (FY2025)
Market share
No. 1 *1

Customer base and distribution network
No. 1

Global business operations

48 countries and regions around the world

Sustained and significant growth in the international business

Profit growth rate of the international business
22.3 % *2

Provision of diverse solutions as a "comprehensive insurance group"

- International Business
  - Primary insurance
  - Lloyd's and reinsurance
  - International life insurance
- Domestic Non-Life Insurance Business
  - Agency channel
  - Direct channel
- Domestic Life Insurance Business
  - Asset-type products
  - Protection-type products
- Solutions to Social Issues Business
  - Think tank
  - Risk consulting

Overwhelming presence in the ASEAN region

ASEAN gross written premiums ranking (FY2024)
No. 1 *3

Proactive investment and promotion of AI/DX

Partnerships with leading companies in other industries, startups, etc.

Expertise and credibility backed by more than 130 years history and experience

Founded in 1893 (predecessor company)

*1 Prepared by MS&AD based on publicly announced information from each insurance company and data from the General Insurance Association of Japan
*2 Compound annual growth rate from FY2014 to FY2025
*3 Based on MS&AD research, excluding reinsurers

Identification of Our Materiality and Key Management Issues

In light of changes in the business environment and evolving social challenges, as well as anticipated statutory and regulatory disclosure requirements, we reviewed our material issues and reframed them as Key Management Issues, emphasizing their relevance to business strategy and corporate value enhancement, rather than treating them solely as sustainability matters.

Review of the Previous Medium-Term Management Plan

Under the previous Medium-Term Management Plan, we pursued a growth strategy rooted in creating shared value with society in response to changes in the sustainability landscape. In the sustainability area, we focused on the key issues of Planetary Health, Resilience, and Well-being, and made generally steady progress. In addition, we improved information disclosure and external evaluations and redefined the relationship between our Mission and sustainability strategy.
At the same time, we recognize that initiatives to connect sustainability with business strategy and daily operations and embed it within each Group operating company have scope for further evolution and development, and remain as an issue for the future.

Establishment of New Key Management Issues

We established new Key Management Issues to create an environment in which every employee can independently identify the priority issues in their region or organization, act on them, and thereby embody our corporate philosophy. At the same time, we reviewed our targets.

Process for Identifying New Key Management Issues

STEP 1 Identification of Issues

To align the organization toward integrating sustainability strategy with business strategy and daily operations—an issue identified in our review of the previous Medium-Term Management Plan—we broadly and accurately identified current issues that society is seeking to resolve. We then analyzed and evaluated each topic's financial and non-financial impacts on the non-life insurance business from both quantitative and qualitative perspectives and selected the relevant issues.

STEP 2 Inventory of the Value Chain and Business Processes

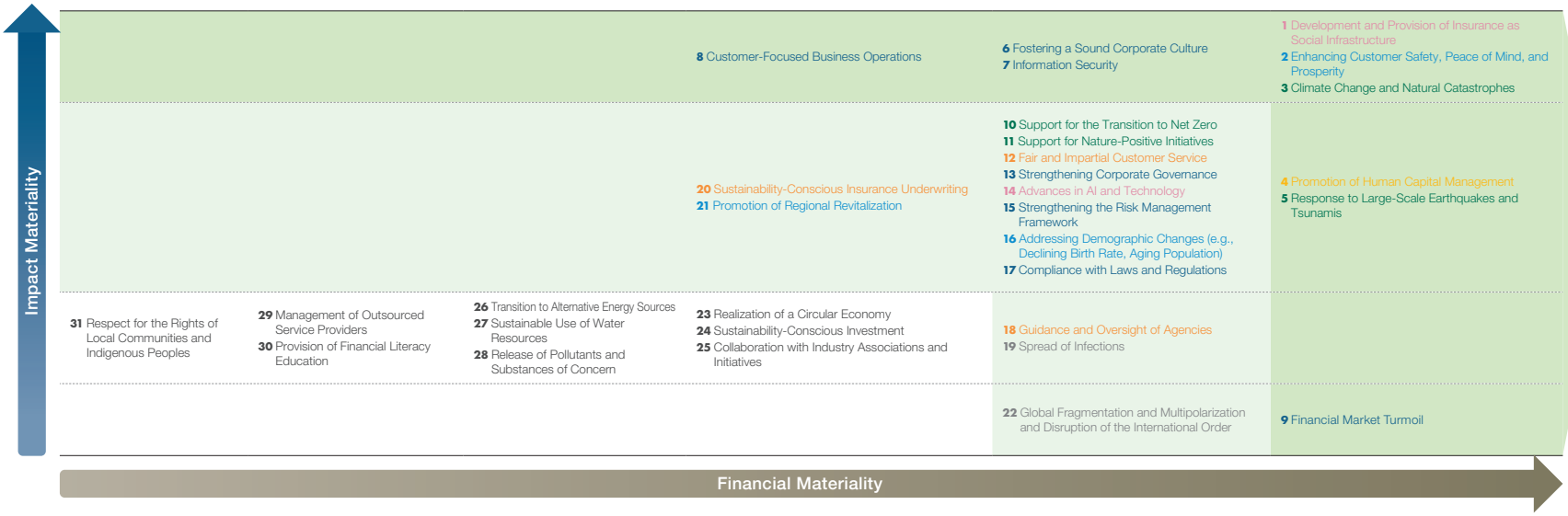
We organized the Group's principal business processes and activities, including product and service development, underwriting, contract administration, investment, and insurance payouts. Based on this inventory, we analyzed and evaluated each issue identified in Step 1 for each business process.

STEP 3 Identification of Key Management Issues

Using the results of Step 2, we analyzed the issues from the two perspectives of impact on society and financial impact on the Group, and organized the 20 materiality items judged to be highly important. Based on these items, we then identified six Key Management Issues. In selecting the Key Management Issues, the Sustainability Committee discusses the matter and reports the results to the Board of Directors.

Materiality

Note: The colored items indicate the 20 identified materiality issues.



Six Key Management Issues

1. Enhancing the value we provide
   1, 14
2. Addressing natural catastrophes
   3, 5, 10, 11
3. Addressing demographic changes
   2, 16, 21
4. Respect for human rights in business
   12, 18, 20
5. Promoting human capital management
   4
6. Strengthening governance
   6, 7, 8, 9, 13, 15, 17

Reasons for Selecting the Key Management Issues



Sustainability initiatives

Toward a Safe and Secure Society: Contributing to the Well-being of People and the Planet

★Revised ☆Added

Main initiatives	Main targets
Enhancing Regional Resilience •Supporting disaster prevention and mitigation, and developing of BCPs and more •Contributing to closing the protection gap •Providing solutions that support enhanced regional resilience in collaboration with local governments **Supporting the Transition to Net Zero and Nature-Positive Outcomes** •Using sustainability dialogue to understand environmental and social risks and strengthening proposal capabilities to meet emerging needs •Participating in global rule-making and public-private financing schemes	**Greenhouse Gas Emission Reduction Rate Our Own Operations (Scope 1 and 2)★** FY2030 -70% (versus FY2019) FY2050 Net zero **Underwriting/ Investments and loans*1** FY2030 -37% (versus FY2019) FY2050 Net zero **Renewable Energy Usage Rate★** FY2027 100% (Major Locations) **Implementation Rate for Dialogue and Proposals with Key Domestic Clients** FY2030 100% *1 Key Japanese domestic corporate clients selected based on insurance premium
Addressing Diverse Lifestyle Risks •Developing solutions and providing products and services that respond to environmental changes such as a declining working population •Developing products and services for customer segments expected to expand in the future, such as the elderly and foreign residents, as well as for risks that have not been adequately addressed to date •Developing products and services that support customers' lifelong health and asset building **Supporting Regional and Living Infrastructure** •Expanding business through collaboration with other companies in areas that significantly affect business activities and people's lives •Collaborating with local governments and companies to rebuild weakened local communities	
Implementing Human Rights Due Diligence and Providing Access to Remedy Based on Our Policies •Steadily conducting human rights due diligence, including the prevention, mitigation, and remediation of human rights issues, and providing access to remedy •Strengthening human rights awareness among agencies, expanding opportunities for dialogue with business partners, and providing optimal solutions **Responding to Technological Innovation and Promoting Respect for Human Rights in the Workplace** •Contributing to the early identification, prevention, and mitigation of human rights issues arising from technological advances, including AI technology and the cyber field (information security) •Promoting a sound workplace environment by strengthening measures to prevent harassment of employees	**Participation Rate in Human Rights Awareness Training☆** Maintain 100%

The Group Vision for FY2030

The Group has formulated its Vision for FY2030 in May 2026.

Qualitative targets

We will pursue the intrinsic value of insurance and strive to become the insurance and financial group most chosen by customers. Building on these initiatives, we are determined to become an organization that anticipates change and resolves society's risks in an increasingly uncertain era—Taking on Risk, Leading the World—so that customers can entrust us with their precious futures. Through our global business platform, we will provide optimal security, the best customer experience, and cutting-edge solutions, contributing to the development of a vibrant society and a healthy future for the planet.

Approach to initiatives toward FY2030

Approach of domestic insurance companies

The insurance and financial group most chosen by customers

Group tagline

Taking on Risk, Leading the World

Quantitative targets

Even after completing the sale of strategic equity holdings, we will establish an earnings structure capable of generating profit of more than ¥800.0 billion (adjusted) in FY2030 (by transitioning to a structure that generates profit from core businesses) and aim to achieve profit of approximately ¥1 trillion in the future.

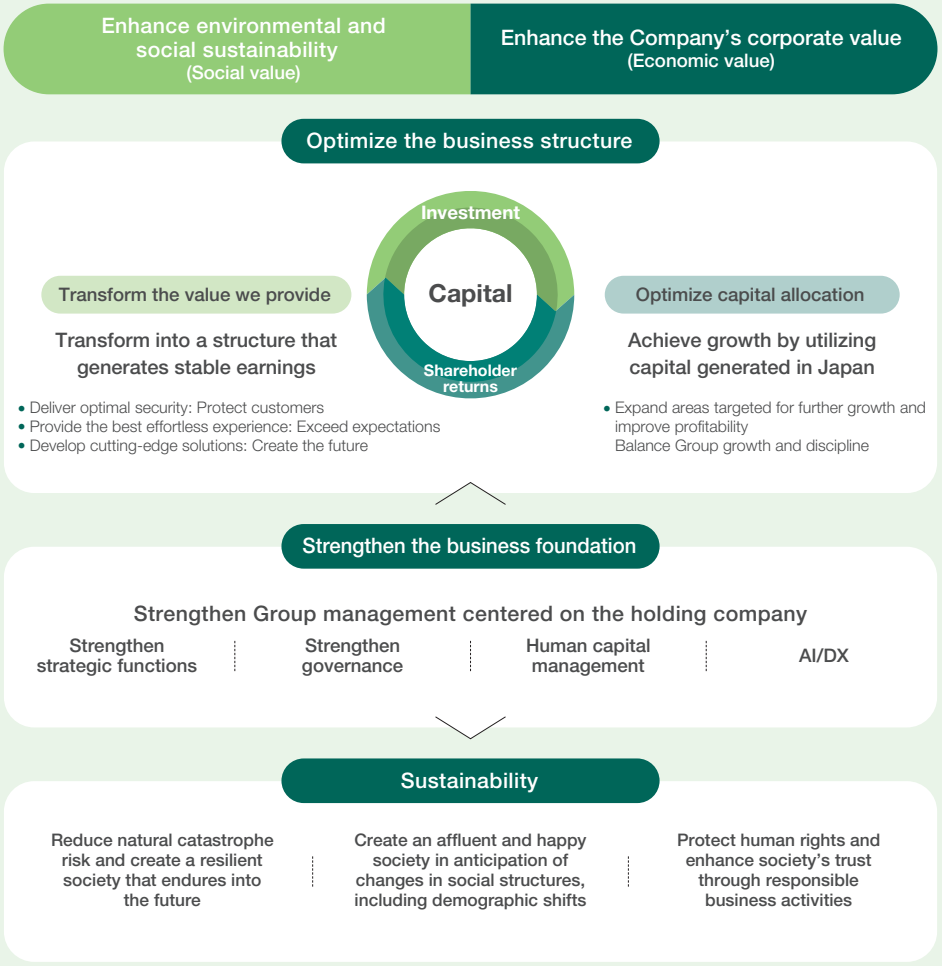
Target

Adjusted profit*1	EPS growth rate*2	Adjusted ROE*3	ESR
FY2030	FY2025–FY2030	FY2030	FY2030
¥800.0 billion	11% (annualized)	11% or higher	180% or higher

*1 Profit after making cash-basis-oriented adjustments to IFRS net income
*2 Excluding gains on sales of strategic equity holdings
*3 Adjusted profit / adjusted net assets (IFRS net assets – AOCI – goodwill and other balances)

Group strategy

To establish an earnings structure that generates profit sustainably, we will transform our business model by optimizing our business structure and strengthening our business foundation, thereby enhancing the Group's corporate value.



Strategies by business domain

For each of the five business domains, we have established objectives to be achieved by FY2030 and an adjusted profit outlook (for FY2030) based on an appropriate assessment of the operating environment.

In particular, the international business will transform into a globally competitive business management framework led by multinational talent and grow into a business that generates more than half of the Group's total adjusted profit by FY2030.

Business domain	FY2030 adjusted profit outlook	What we will achieve
Domestic Non-Life Insurance Business P.93	¥240.0 billion	• Simultaneously provide insurance tailored to customer needs, ensure appropriate premium rates, and reform business processes, thereby generating stable profit commensurate with the scale of the business (and achieving improvement in profitability that exceeds inflation-driven increases in insurance payments and operating expenses).
Domestic Life Insurance Business P.95	¥100.0 billion	• Provide optimal solutions for customers' risks in the life insurance field, thereby becoming the insurance and financial group most chosen by customers. • Contribute to risk diversification and earnings stability by assuming risks with characteristics different from those of the non-life insurance business. • Increase Group profit through synergies with the non-life insurance and asset management businesses.
International Business P.97	¥420.0 billion	• From 2026 onward, we will enhance our functions, beginning with the consolidation of international business management functions within the holding company, to drive the growth in the Group's corporate value and build a structure in which the international business accounts for more than half of adjusted profit.
Financial Services Business P.101	¥30.0 billion	• Contribute to improving the Group's capital efficiency and diversifying its business portfolio through the investment in and business expansion of Barings, which offers high growth potential and has a low correlation with the insurance underwriting business. Strengthen the profitability of existing businesses by developing new products and services and enhancing operational frameworks.
Solutions to Social Issues Business P.102	¥10.0 billion	• Expand our solutions business addressing social issues and create a virtuous cycle of increasing both social and economic value, thereby contributing to the Group's sustainable growth and earnings expansion.

Strengthening Group Management to Achieve the Vision

Strengthening the strategic functions of the holding company

To achieve the Group Vision for FY2030, particularly the quantitative targets, we must further accelerate our previous pace of growth. There is a gap of approximately ¥270.0 billion between the current level of adjusted profit excluding gains from the sale of strategic equity holdings and the target of ¥800.0 billion. Moreover, ROE and EPS will not improve unless we further diversify risk and optimize the level of net assets.

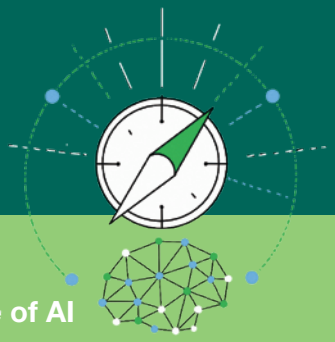
Strong leadership by the holding company is therefore essential. Both domestic and international markets, as well as the non-life and life insurance businesses, are undergoing significant environmental changes. Against this backdrop, the holding company will work backward from the targets to make prompt decisions on matters such as how to use the proceeds from the sale of strategic equity holdings, how to allocate capital to each business, and how individual operating companies within the same business domain should be structured and what strategies they should pursue, and will advance specific initiatives together with each operating company.

The table below summarizes the principal growth strategies for which the holding company has taken the lead in determining policies and launching specific initiatives.

The merger of MSI and ADI in the domestic non-life insurance business is a landmark decision led by the holding company to enhance the ability to provide the intrinsic value of insurance and become the company most chosen by customers. In the domestic life insurance business, we will consider restructuring the business model and organizational structure to accelerate growth by not only developing the respective strengths of MSA Life and MSP Life but also combining those strengths.

We also regard the effective use of AI as a major factor for growth toward FY2030. Assuming that AI itself will continue to evolve and its potential applications across the Group's businesses will expand at an increasingly rapid pace, we are reviewing the appropriate structure of our system development framework.

Leadership by the holding company



Strengthen Group strategy development and optimal capital allocation functions	»	**Establish CxO and International Business CxO frameworks**
Provide products aligned with the needs of society and customers Establish highly transparent sales processes	»	**Restructure the life insurance business model and organizational structure**
Enhance the ability to provide the intrinsic value of insurance by balancing capital strength and capital efficiency	»	**Merge the core non-life insurers and advance the direct-channel strategy**
Strengthen the policy advocacy function as a leading company	»	**Redefine the role of MS&AD InterRisk Research & Consulting, Inc. (Mitsui Sumitomo Insurance Research Institute)**
Strengthen the Group's asset management functions	»	**Strategic alliance with Barings**

Adapt to the age of AI

Strengthen system development capabilities in anticipation of advances in AI	»	**Review the appropriate development framework centered on MS&AD Systems (Mitsui Sumitomo Insurance Systems)**

Thorough implementation of customer-focused business operations

To achieve the Group Vision for FY2030, customer-oriented business operations must be thoroughly implemented across the Group in conjunction with the execution of Group and business-specific strategies. It is not enough merely to eradicate misconduct such as the premium adjustment practices and information leakage incidents between insurance agencies and insurance companies that occurred in previous fiscal years. Taking compliance with laws and regulations as the natural starting point, we will strengthen and exercise the Group's ability to detect warning signs of risk and proactively improve business operations to meet customer expectations, further enhance quality, and pursue customers' best interests.

For more information on the Company's compliance initiatives, see the Group's official website.

- See here for information on the Company's compliance initiatives Website
- See here for information on the Company's tax governance Website

Quality and compliance targets

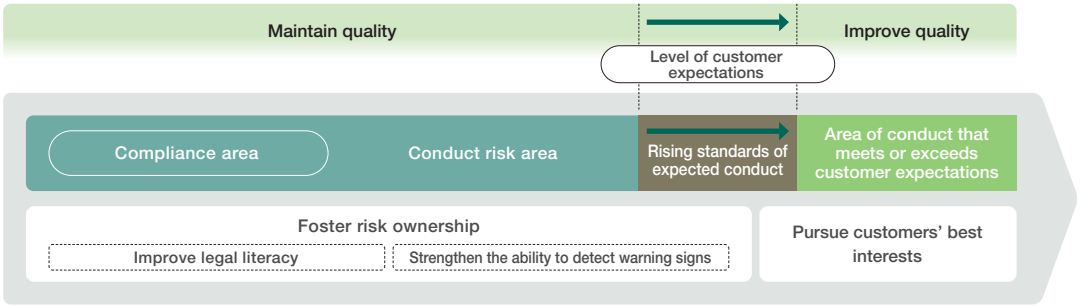
Qualitative

All employees independently practice customer-oriented business operations at every customer touchpoint and in every situation, earning the trust and respect of society and customers and making us an insurance company that leads the industry.

Quantitative

Three areas of customer-oriented business operations	KPI
Compliance with laws and regulations	Number of misconduct incidents
Conduct risk	Number of improvements based on customer feedback and other input
Actions that meet or exceed customer expectations	NPS (Net Promoter Score)

Overall framework for customer-oriented business operations



Two innovations

Innovation 1

Integrated initiatives spanning compliance with laws and regulations through conduct that meets or exceeds customer expectations

Comply (protect), notice, and think. Beyond all of this is the customer

Innovation 2

Shift from an agency perspective to a customer perspective

Put customers at the center of everything we do

Principal initiatives

Transform compliance implementation plans into Customer-Focused Practices Programs

- Revamp the MSI Compliance Action Program and the ADI Branch Compliance Program into blueprints for branches and departments to practice customer-oriented business operations

Initiatives to thoroughly instill a customer perspective

- Strengthen initiatives that encourage all employees to continually consider what it means to be customer-focused
- Strengthen initiatives to collect and utilize employee and customer feedback

Establish frameworks for managing agencies and external service providers in response to business model transformation

- Improve frontline employees' ability to engage in dialogue with agencies to ensure the effectiveness of agency self-inspections
- Establish a framework that ensures external service providers are selected according to information leakage risk classifications and that various security control measures are sufficient

Initiatives toward the Merger

Our Group aims to become the “insurance and financial group most chosen by customers” by leveraging the intrinsic value of insurance and its risk solution capabilities. Through the merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, we will create a new non-life insurance company, strengthen the foundation of the Group’s growth, and enhance credibility through stronger governance and other measures. Building on the initiatives of the new non-life insurance company, our Group will strive to become an entity “Taking on Risk, Leading the World” by anticipating change and addressing social risks in an increasingly uncertain era, so that customers will entrust us with their precious futures. In doing so, we will achieve sustainable growth and enhance corporate value.

Background and objectives of the merger

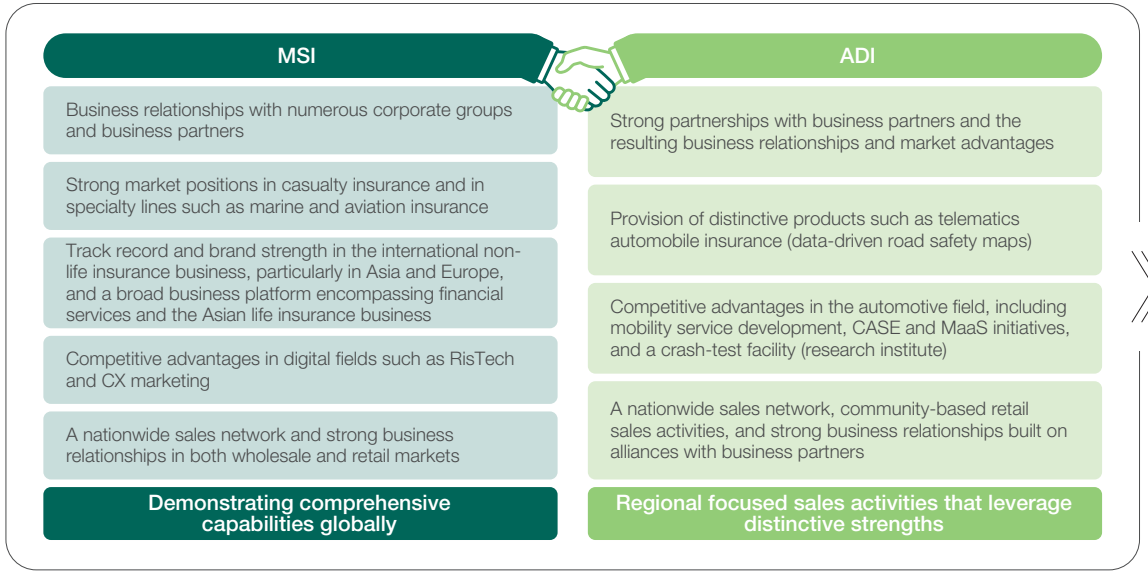
The operating environment surrounding the insurance industry is undergoing significant change, including the strengthening of regulations in response to misconduct such as price fixing, fraudulent claims, and information leakage. The Group views these environmental changes as an opportunity for business transformation. Through the merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, we aim to strengthen the intrinsic value of insurance and our risk solution capabilities, and to become the insurance and financial group most chosen by customers.

Through the merger, we will strengthen the foundations of the Group’s growth and enhance credibility through stronger governance and other measures. As the Group’s central business domain, the new company will support a virtuous cycle of growth and trust.

Management objective

The new company will retain, combine, and further expand the respective strengths of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

Strengths of the two companies



Objectives of the merger

Strengthen the foundations of the Group’s growth	• Generate profit commensurate with the Group’s top-line scale • Strengthen competitiveness across all areas, including product and service development, underwriting, and risk management • Leverage the advantage of the No. 1 share of the domestic market • Improve management efficiency by reforming the operating expense structure
Enhance trust through stronger governance and other measures	• Execute the Group growth strategy under the leadership of the holding company • Strengthen the second and third lines of defense in conjunction with the merger • Expand opportunities for officers and employees to excel in Japan and overseas • Address social issues, including natural catastrophes, and enhance the management of social risks

Value provided to stakeholders through the merger

Customers
By combining the strengths of the two companies and enhancing brand strength, product and service development capabilities, underwriting capabilities, and risk engineering capabilities, we will provide optimal insurance products and services that address increasingly diverse and sophisticated risks.
By also leveraging the advantage of the No. 1 domestic market share and our global network to provide new value to a broad range of customers, from local communities to the world, we aim to become the insurance and financial group most chosen by customers.

Agents
We will build genuine partnerships with agents and provide a business foundation that supports sustainable growth by establishing a sales structure based on a new distribution network strategy and supporting agents in adapting to comparative recommendation sales, among other measures.

Employees
We will provide a workplace where each employee can demonstrate their abilities and grow by expanding opportunities to excel, fostering a new corporate culture, assigning talents to the right positions, and creating a comfortable working environment.

Shareholders
We will achieve sustainable profit growth through investment in growth areas, reinforcement of the business foundation, and more sophisticated governance, thereby enhancing corporate value and delivering attractive shareholder value.

Business strategies

The new company has established six basic strategies.

Deliver optimal security
Intrinsic value of insurance

1. **Products and services that meet customer needs**
   - Price competitiveness (standardization) and differentiation from competitors (solutions to social issues)
2. **Strengthen risk solution proposal and underwriting capabilities**
   - Pursue appropriate underwriting using data, risk surveys, and other resources
   - Provide new coverage and underwrite emerging risks by sharing expertise in Japan and overseas
3. **Strengthen capacity provision capabilities**
   - Effectively utilize the new company's capital and make strategic use of reinsurance

Provide the ultimate effortless experience
Enhance CX

1. **Provide effortless value**
   - Personalized proposals and digital procedures (at enrollment)
   - Timely provision of the information customers need (after enrollment)
   - Pursue faster, easier-to-understand processes through digitalization (claims payment)
2. **Optimal distribution**
   - Transform the agency business model by integrating digital capabilities with quality
   - Expand direct customer contact through an intermediary model (personal) and direct handling (commercial)

Develop cutting-edge solutions
Resolve social issues

1. **Solutions before and after coverage using data (DX)**
2. **Contribute to creating safe and secure communities through the expansion of telematics automobile insurance (SAFE TOWN)**
3. **Solutions for social issues and initiatives for creating shared value (CSV)**
   - Priority areas: Mobility, disaster prevention and mitigation, healthcare, and cybersecurity
4. **Bring overseas expertise back to Japan**
   - WRB, MOTER, Aioi R&D Lab-Oxford, etc.

Transform the sales model with quality as the top priority (sustainable sales model)

Establish new agent categories (growth-oriented and role-sharing models)

Regional revitalization
Resolve regional issues

1. **Advance initiatives with local governments and community-based companies to resolve regional issues in coordination with regional revitalization policies**
2. **Advance initiatives that connect contributions to local communities and disaster prevention and mitigation with the expansion of customer relationships**

Collaboration with business partners
Strengthen and expand collaboration

1. **Strengthen and expand collaboration with partners to realize and deliver optimal security, the ultimate effortless experience, and cutting-edge solutions to customers**
2. **Create collaboration with new partners**

Expand areas targeted for further growth and improve profitability
Balance Group growth and discipline

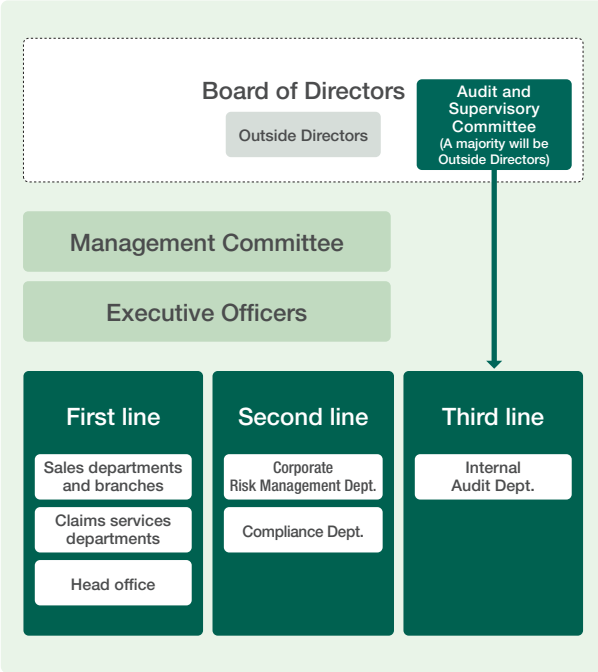
1. **Allocate management resources to growth areas**
2. **Make disciplined business investments**
3. **Advance the reinsurance strategy**
4. **Improve profitability in asset management**

Governance

The new company will be a company with an Audit and Supervisory Committee*1, achieving both growth (swift decision-making)*2 and discipline (enhanced audit and oversight functions)*3.

The internal control system of the new company will be structured with a three-line model to ensure effectiveness.

Three Lines Model



*1 MSI and ADI transitioned to companies with Audit and Supervisory Committees, following approval at their respective shareholder meetings in June 2026, prior to the merger.

*2 Rapid decision-making will be achieved by delegating to Directors some decisions concerning the execution of important business operations and by having the holding company and the new company jointly operate some management meeting bodies in an integrated manner.

*3 Discipline will be strengthened through auditing and supervision by the Audit and Supervisory Committee, whose members are Audit and Supervisory Committee Members with voting rights at Board of Directors meetings.

FY2026 Group Management Plan

The quantitative targets for FY2026 were established by backcasting from the Group Vision for FY2030. In FY2026, we aim to achieve adjusted profit of ¥530.0 billion and adjusted ROE of 10% on an excluding-gains basis, and ¥800.0 billion and 13%, respectively, including gains from the sale of strategic equity holdings.

Target

Adjusted profit*1	EPS growth rate*2	Adjusted ROE*3	ESR
FY2026	FY2025–FY2030	FY2026	FY2026
¥530.0 billion	4% (annualized)	10%	180% or higher
Including gains from the sale of strategic equity holdings: ¥800.0 billion	FY2025–FY2030 annual average: 11%	Including gains from the sale of strategic equity holdings: 13%	

*1 Profit after making cash-basis-oriented adjustments to IFRS net income
*2 Excluding gains from the sale of strategic equity holdings
*3 Adjusted profit / Adjusted net assets (IFRS net assets – AOCI – Goodwill balance, etc.)

Strategies by business domain

Business domain	Strategy	Main initiatives
Domestic Non-Life Insurance Business (Adjusted profit: ¥170.0 billion*) *Including gains on sale of strategic equity holdings: ¥438.0 billion	**Merger of MSI and ADI**	■Steadily executing the merger
	Advancing the business improvement plan	■Promoting dialogue with agents to realize customer-focused business operations and a sound competitive environment ■Facilitating the succession and acceptance of corporate agencies through insurance agency businesses jointly funded with partners
	Improving profitability and growth potential	■Considering and developing simple, easy-to-understand products and services and setting premium rates flexibly ■Capturing customers' growing preference for online services and increasing price sensitivity through direct channels ■Sale of strategic equity holdings and increasing allocation to higher-return assets (credit, listed equities, and PA)
Domestic Life Insurance Business (Adjusted profit: ¥52.0 billion)	**Improving profitability**	**MSA Life:** Expanding insurance revenue by increasing sales of protection-type products and improving risk/return and capital efficiency
		MSP Life: Increasing insurance revenue through products with enhanced protection features and launching products requiring proprietary expertise, such as variable products
	Strengthening sales models	**MSA Life:** Initiatives to establish a sales model that promotes proactive value provision (proactive model)
		MSP Life: Expanding channels through initiatives targeting the general agency market and the advancement of digital strategies, in addition to financial institution channels
International Business (Adjusted profit: ¥300.0 billion)	**Growth in each region**	■Expanding local underwriting and deepening relationships with major MGAs in the U.S. business, while pursuing synergies such as reinsurance transactions with WRB ■Thoroughly implementing cycle management in the Lloyd's and reinsurance businesses ■Deepening operations at each base in Asia, expanding underwriting across entities, and optimizing retention and outward reinsurance
	Optimizing reinsurance schemes	■Establishing an intra-Group reinsurance vehicle and optimizing risk retention and transfer
	International life insurance	■Strengthening the cycle of growth and returns through initiatives that leverage the strengths of each entity and proactive involvement in management
Financial Services Business (Adjusted profit: ¥12.0 billion)	**Expanding Barings' business**	■Expanding Barings' business in collaboration with its parent company, MassMutual
Solutions to Social Issues Business	**Improving earnings and expanding solution offerings**	■Strengthening the think tank and risk consulting businesses (MS&AD InterRisk Research & Consulting) ■Expanding cutting-edge solutions that meet the expectations of customers and society